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REVIEW OF THE WORLD SITUATION AS IT RELATES TO THE SECURITY OF THE UNITED STATES

SUMMARY

1. Nearly three months after beginning its venture into war-by-proxy, the USSR retains the strategic initiative to some extent locally in Korea and to a much greater extent globally.

2. The USSR is probably not yet prepared for international military operations designed to defeat the US and its allies. Nevertheless, the USSR has been vigorously preparing its armed forces, its economy, and its political-control system for the eventuality of a major war. In view of the traditional preoccupation of the USSR with its defensive capabilities, these preparations do not necessarily indicate that the USSR intends deliberately to provoke a global war. Nevertheless, the time-phasing of some parts of this war-readiness program suggests that the USSR made an urgent effort to be ready in case large-scale expenditures of military materiel should be necessary in the fall of 1950 or the spring of 1951.

3. Whereas the US and its allies have been able to contain Soviet efforts at expansion in Europe and the Middle East during the past two years, the USSR has steadily gained ground in Asia. In large measure it has succeeded in identifying Communism with local nationalist ambitions, anti-Western sentiment, and economic discontent.

4. As a result of Communist seizure of control in China, the USSR has in the Peiping regime a disciplined lieutenant in the international Communist program of eliminating Western influence and establishing indigenous Communist governments throughout the Far East.

a. While it is doubtful that either Soviet or Chinese Communist forces will be committed south of the 38th parallel, both Moscow and Peiping have the capability of sending organized military units to reinforce the North Koreans at any critical juncture. They are much more likely, however, to aid the Communist cause in Korea by releasing large numbers of trained Chinese Communist (Manchurian "volunteer") units, perhaps including small air units, for incorporation in the North Korean forces.

b. There is still no conclusive evidence whether political warfare over Taiwan will be followed or perhaps accompanied by a military assault on the island.

c. At the present time opportunities for expansion of Communist influence in Southeast Asia appear to be more promising than more openly belligerent ventures (such as formal Chinese intervention in Korea). Moscow and Peiping probably will prefer to maintain the fiction that Communist aggression is merely local revolution or civil war (as they claimed in Korea) and to rely on the efforts of indigenous "liberation" movements rather than on open employment of organized forces outside their own territory. Thus the Chinese Communists would continue to limit their aid to Ho Chi Minh to indirect or covert though substantial military assistance.

The spread of Communist influence in southeast Asia probably will continue, at least in the short-term future, acquiring new momentum with every local triumph, in default of: (1) development of an indigenous Asian regional association capable of resisting the expansion of Soviet influence in the Far East;

Note: This review has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force. The information contained herein is as of 15 September 1950.

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(2) Western success in convincing the local populations that "colonialism" is not a threat and that Soviet control is a direct threat to national independence; (3) effective US aid.

5. While bringing heavy pressure to bear on many non-Soviet countries, reaching a peak in the Korean attack, the USSR has recently been pursuing a soft policy toward such countries as Iran, Afghanistan, and India, which the Kremlin evidently wishes to neutralize for the time being. In Iran in particular, this soft treatment poses a more difficult problem for the Iranian Government than would a harsher attitude and may yield considerable advantages to the USSR without further resort to pressure tactics.

6. Concurrently with its integrated campaign of aggression, pressure, and political enticement around the borders of the Soviet sphere, the USSR is vigorously prosecuting its propaganda warfare in the UN. During the coming parliamentary maneuvering in the SC the US may be able to counter Soviet propaganda moves and to prepare the ground for what will probably develop into the most solid anti-Soviet front yet displayed in the UN General Assembly.

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REVIEW OF THE WORLD SITUATION AS IT RELATES TO THE SECURITY OF THE UNITED STATES

1. Current Soviet Policy Patterns.

Nearly three months after beginning its venture into war-by-proxy, the USSR retains the strategic initiative to some extent locally in Korea and to a much greater extent globally. Chances that the North Korean forces alone might drive UN troops out of Korea have been materially reduced in the past month, and it is doubtful whether the North Koreans can still draw upon enough reserve military resources to permit them at once to maintain pressure on the major UN-held perimeter around Pusan and simultaneously contain other UN forces. The concentration of Chinese Communist troops near the Korean border in Manchuria, however, constitutes a powerful secondary reserve which, if Moscow and Peiping should agree on it despite the attendant risks, could enter the battle and materially change its course at any time. The Chinese Communist armies are also capable of attacking Taiwan and Indochina without seriously weakening their position confronting Korea. Meanwhile, the USSR and Communist China are conducting a major UN propaganda offensive emphasizing their dedication to "peace" and castigating so-called US "aggression" in Asia.

2. Soviet Readiness for War.

These particular manifestations of an aggressive Soviet foreign policy appear against the background of rapid advancement of a general war-readiness program in the USSR. The USSR is probably not yet prepared for international military operations designed to defeat the US and its allies, mainly because of its limited stockpile of atomic bombs, its relatively weak strategic air arm, and its relatively weak surface navy. The USSR has, however, been vigorously preparing its armed forces, its economy, and its political-control system for the eventuality of a major war. In view of the traditional preoccupation of the USSR with its defensive capabilities, these preparations do not necessarily indicate that the USSR intends deliberately to provoke a global war. Nevertheless, the time-phasing of some parts of this war-readiness program suggests that the USSR made an urgent effort to be ready in case large-scale expenditures of military materiel should be necessary in the fall of 1950 or the spring of 1951. This time-phasing may well reflect a policy designed to protect the USSR from the risk of global war which is implicit in the instigation of local operations by non-Soviet forces on the periphery of the area of Soviet influence.

There is still no conclusive evidence as to whether the USSR will resort to further outright military aggression through the medium of non-Soviet forces or, what may be more likely, will adhere to its standard policy of extending Soviet influence by propaganda, subversion, internal coups, and guerrilla warfare—supported by Soviet diplomacy and the threat of Soviet military strength. The current Soviet war-readiness program could, however, be an indication of Soviet preparations to meet the eventuality of general war if it actually should come in 1950 or 1951 as a result of US reaction to further Soviet or Soviet-sponsored aggression. In the event of war in this period the USSR could use its enormous ground army and tactical air force to occupy most of the Eurasian continent. The USSR then could: (a) mount a strategic air bombardment campaign against the UK; (b) deny US access, at least partially, to forward base areas from which US strategic air attacks could most effectively be mounted; (c) employ against the continental US the supply of atomic bombs available, thus weakening the US capability to retaliate; (d) add the resources of Western Europe to the Soviet war potential, permitting the USSR in time to absorb heavy damage from US strategic air

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attacks without destroying Soviet capabilities for continuing hostilities; and (e) set the stage for a politico-military offensive designed to bring the remaining non-Soviet countries into an accommodation with the USSR.

3. Offensive in Asia.

Increased Soviet war-readiness greatly strengthens the position of the USSR in pursuing its current campaign to expand Soviet influence and extend the area of actual political control in Asia. Whereas the US and its allies have been able to contain Soviet efforts at expansion in Europe and the Middle East during the past two years, the USSR has steadily gained ground in Asia. In large measure it has succeeded in identifying Communism with local nationalist ambitions, anti-Western sentiment, and economic discontent. As a result of the "revolutionary situations" created by the breakup of the colonial imperial system, the USSR has had an opportunity gradually to extend its hold over large areas in Asia and at the same time to weaken the Western Powers indirectly by diverting their critically needed military resources to the Far East. The year 1950, as anticipated, has been a year of crises in Asia, and the Western world has been suffering serious losses as a result of Communist accretions of power in the Far East.

(Current Soviet concentration on Asia does not, of course, alter the fact that the rebuilding of political, economic, and military strength in Europe continues to be of primary importance to the security of the US. The USSR can be expected to return to the offensive in Europe whenever vulnerabilities there warrant it, a fact which makes the decisions and procedures only now being worked out by the NATO powers the most critical developments of the next year or two so far as US security is concerned. The direction and import of these decisions and procedures will have to be studied in the context of efforts to put them into effect rapidly and efficiently during the next few months.)

4. Communist Capabilities in the Far East.

As a result of Communist seizure of control in China, the USSR has available in the Peiping regime a disciplined lieutenant capable of furthering the international Communist program of eliminating Western influence and establishing indigenous Communist governments throughout the Far East.

a. Korean Venture.

While there is no clear evidence that either Chinese Communist or Soviet armed forces will be used in Korea, the USSR and its Asian lieutenant will probably try to prevent the loss of the political and military advantages already won by the North Koreans. While it is doubtful that either Soviet or Chinese Communist forces will be committed south of the 38th parallel, both Moscow and Peiping have the capability of sending organized military units to reinforce the North Koreans at any critical juncture. They are much more likely, however, to aid the Communist cause in Korea by releasing large numbers of trained Chinese Communist (Manchurian "volunteer") units, perhaps including small air units, for incorporation in the North Korean forces. In addition, the Chinese Communists may try to forestall or at least interfere with a major UN counterattack in Korea by mounting an operation either against Taiwan or in Indochina. If the USSR and Communist China should adopt either of these courses of action, it probably would either bring local military advantages in Korea by diverting US forces or, in default of effective US intervention, would promote general Soviet strategic objectives by extending Communist influence elsewhere in Asia.

b. Taiwan.

Formal lodgment of charges against US "aggression" in Taiwan (as well as on the Korean-Manchurian frontier) has marked this theme as a key element in Soviet and Chinese Communist propaganda. There is still no conclusive evidence whether political warfare over Taiwan will be followed or perhaps accompanied by a military assault on the island. The remaining time for weather most favorable to an amphibious attack is only a few weeks, but the Chinese Communists are capable of mounting a powerful invasion force in a matter of days. In any case the Taiwan issue will be pursued relentlessly in the UN. The USSR will attempt in this way to split the solidarity of the nations

(India, UK, and France in particular) that supported US policy on intervention in Korea but are reluctant to become associated with the Chinese Nationalist regime or to risk involvement in a virtually endless war with Communist China. The USSR and Communist China, in addition, may hope to secure control of Taiwan as part of an eventual settlement of the Korean situation.

c. Indochina.

At the present time, opportunities for expansion of Communist influence in Southeast Asia appear to be more promising than more openly belligerent ventures (such as formal Chinese intervention in Korea). There have been many indications that Ho Chi Minh's forces are preparing for an early major military offensive. The Chinese Communists are already assisting the Indochinese rebels by giving them materiel, technical assistance, and training. They are capable of invading Indochina and occupying all of Vietnam except Cochin China within a few months. Moscow and Peiping probably would prefer, however, to maintain the fiction that Communist aggression in Indochina is merely local revolution or civil war (as they claimed in Korea) and to rely on the efforts of indigenous "liberation" movements rather than on open employment of organized forces outside their own territory. Thus, the Chinese Communists would continue to limit their aid to Ho Chi Minh to indirect or covert though substantial military assistance. In this case, China would be doing for Indochina something like what the USSR has done for Korea. In such a case the USSR would not only be waging war-by-proxy (as in Korea), but would be waging war-by-proxy-by-proxy.

The Ho Chi Minh forces probably will in the near future launch an offensive designed to seize or destroy key French border posts, reduce French strength by attrition, and prepare the way for a decisive campaign sometime in 1951. If they had substantial numbers of artillery pieces and armored vehicles, the Communist-led rebels would have a good chance of driving the French out of Indochina within the next year or two. Regardless of whether Ho Chi Minh receives aid in the form of open military action by Chinese Communist troop units, Indochina is likely to pass into the Soviet sphere unless the French in the meantime receive considerably more foreign assistance than is presently programmed and (by greater political concessions in the direction of national independence), win over the support of the Vietnamese people. The slow pace of measures to set up effective defenses against Communist control in Indochina is especially grave because the advent to effective power of a Communist regime probably would induce the other independent states of Southeast Asia to assume a protective Communist coloration and a generally pro-Soviet alignment in foreign affairs.

In the short-term future, at least, the spread of Communist influence in Southeast Asia probably will continue, acquiring new momentum with every local triumph, in default of: (1) development of an indigenous Asian regional association capable of resisting the expansion of Soviet influence in the Far East; (2) Western success in convincing the local populations that "colonialism" is not a threat and that Soviet control is a direct threat to national independence; (3) effective US aid. Even if India and the lesser states of South and Southeast Asia began to cooperate effectively with one another and if they could be persuaded that the Western Powers had completely renounced the old Far Eastern colonial system, a firm military (and political) front against Soviet and Chinese Communist influence could be maintained only on the basis of a comprehensive economic development program designed to give the populations as a whole a stake in their national evolution. There is very little time to organize such an effort to save Southeast Asia and the difficulties in the way appear almost insuperable. The other alternatives, however, are either to write off Southeast Asia at once in order to concentrate on areas of more vital strategic value to the US or to accept the probability that it will be lost after a period in which it drains off French, British, and US resources badly needed elsewhere.

5. Middle East.

The flexibility of Soviet tactics is revealed in the current turn of Soviet behavior in the

Middle East, particularly toward Iran. While bringing heavy pressure to bear on most non-Soviet countries, reaching a peak in the Korean attack, the USSR has recently been pursuing a soft policy toward such countries as Iran, Afghanistan, and India, which the Kremlin evidently wishes merely to neutralize for the time being. In Iran, as a matter of fact, this soft treatment poses a more difficult problem for the Iranian Government than would a harsher attitude and may yield considerable advantages to the USSR without further resort to pressure tactics. The USSR has returned Iranian soldiers previously held prisoner, entered into negotiations for a trade agreement and the return of impounded Iranian gold, and proposed to set up a commission for frontier rectification.

These appeasement moves, though they have not been accompanied by any slackening of Soviet-inspired separatist agitation in Azerbaijan and among the Kurds, will stimulate the traditional Iranian desire for a foreign policy dedicated to neutrality. The new Soviet approach is well-timed, since the firmly pro-Western Razmara Government is encountering grave difficulties in its chosen policy of rehabilitating the Iranian economy with US help. While Premier Razmara is not likely to relax his vigilance toward ultimate Soviet designs on Iran, these Soviet gestures of friendship will encourage criticism along the line that Iran has become too closely associated with the US and too dependent on US aid that was not forthcoming. Should the combination of Soviet maneuvering and the anticipated economic hardships of the winter months cause Razmara's downfall, the present cabinet might well be replaced by a government much less firm in its opposition to the extension of Soviet influence in Iran and even, after a time, by a government openly in favor of appeasement of the USSR.

6. Propaganda War.

Concurrently with its integrated campaign of aggression, pressure, and political entice-

ment around the borders of the Soviet sphere, the USSR is vigorously prosecuting its propaganda warfare in the UN. Soviet obstructive tactics in the UN Security Council have resulted in no spectacular victories, since there was no way to invalidate the June Security Council resolutions that formed the basis of UN intervention in Korea. Nevertheless, the USSR succeeded in broadening the Security Council agenda to include Communist charges of US aggression, thus obscuring somewhat the issue of North Korean aggression and introducing a bargaining point of possible use in a future settlement of the Korean war.

Chinese Communist charges of US aggression, both on Taiwan and along the Korean-Manchurian frontier, and charges of French and British border "violations" as well, could of course be used as "justification" for Chinese Communist intervention in Korea or elsewhere. At present, however, the USSR is using the threat of Chinese Communist intervention in an attempt to intimidate the US and its UN allies and divide them from one another.

Soviet tactics in UN meetings during September will probably continue in the pattern evident since the return of Soviet delegate Malik on 1 August. However, US willingness to have charges of "US aggression" placed on the SC agenda and to have UN commissions make on-the-spot investigations has considerably deflated these potentially dangerous Soviet propaganda efforts. The impact of these charges will be further reduced if the US backs a UN solution for the eventual disposition of Taiwan and follows up its present meticulously correct attitude on the charges of violations of Chinese territory by US aircraft. A continuation of such parliamentary successes in the SC would enable the US to counter Soviet propaganda moves and to prepare the ground for what will probably develop into the most solid anti-Soviet front yet displayed in the UN General Assembly.

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